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FM USEU BRUSSELS
TO RUEHLO/AMEMBASSY LONDON IMMEDIATE
RUEHFR/AMEMBASSY PARIS IMMEDIATE
RUEHRL/AMEMBASSY BERLIN IMMEDIATE
RUEHRO/AMEMBASSY ROME IMMEDIATE
RUEHOT/AMEMBASSY OTTAWA IMMEDIATE
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RUEHAD/AMEMBASSY ABU DHABI IMMEDIATE
RUEHAK/AMEMBASSY ANKARA IMMEDIATE
RUEHBY/AMEMBASSY CANBERRA IMMEDIATE
RUEHUL/AMEMBASSY SEOUL IMMEDIATE
RUEHMO/AMEMBASSY MOSCOW IMMEDIATE
RUEHTC/AMEMBASSY THE HAGUE IMMEDIATE
RUEHNY/AMEMBASSY OSLO IMMEDIATE
RUEHCP/AMEMBASSY COPENHAGEN IMMEDIATE
RUEHSM/AMEMBASSY STOCKHOLM IMMEDIATE
RUEHHE/AMEMBASSY HELSINKI IMMEDIATE
RUEHKU/AMEMBASSY KUWAIT IMMEDIATE
RUEHMS/AMEMBASSY MUSCAT IMMEDIATE
RUEHWL/AMEMBASSY WELLINGTON IMMEDIATE
RUEHSW/AMEMBASSY BERN IMMEDIATE
RUEHMD/AMEMBASSY MADRID IMMEDIATE
RUEHJA/AMEMBASSY JAKARTA IMMEDIATE
RUEHKL/AMEMBASSY KUALA LUMPUR IMMEDIATE
RUEHBS/USEU BRUSSELS IMMEDIATE
RUEHC/SECSTATE WASHDC
INFO RUEHZG/NATO EU COLLECTIVE IMMEDIATE
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RUEHBUL/AMEMBASSY KABUL IMMEDIATE
RUEHKP/AMCONSUL KARACHI IMMEDIATE
RUEHLH/AMCONSUL LAHORE IMMEDIATE
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SUBJECT: DEMARCHE ON PAKISTAN DONORS CONFERENCE IN TOKYO (APRIL 17)

REF: SECSTATE 24367

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1.(SBU) SUMMARY. USEU, along with the Japanese Mission to the European Union, presented subject demarche to European Commission (EC) counterparts. While the EC indicated interest in the upcoming Tokyo donors conference and expressed hope that it will be successful, they noted that the composition of the EC delegation and the size of its pledge have yet to be determined. EC counterparts also highlighted the fact that the European Union is Pakistan's largest trading partner. In addition, they noted that the first ever EU-Pakistan summit is likely to be held in June, toward the end of the Czech Presidency. END SUMMARY.

12. (SBU) As requested, US Mission to the EU (USEU) delivered subject demarche to the European Commission (EC) on the upcoming Pakistan donors conference scheduled to take place in Tokyo on April 17. A colleague from the Japanese Mission to the European Union also participated in the meeting, ensuring that the demarche was delivered jointly.

13. (SBU) EC counterparts expressed interest and support, though noting that the timing over Easter is not fortuitous and that it is not yet certain who will represent the EC. Japan was also asked to provide details as soon as possible on practical arrangements, including the program, location and schedule.

¶4. (SBU) According to counterparts, the EC funding system is not particularly flexible and expectations on possible EU support need to take into account the rigidities of the EC budgetary process. Current EC assistance to Pakistan is on the order of 50 million euro annually, a figure which has been increasing in recent years. Also, the European Investment Bank (EIB) is contemplating an energy (hydro-power) loan to Pakistan. More broadly, though, the Commission should typically not be viewed as an international lender except in exceptional cases.

¶5. (SBU) As far as non-financial assistance is concerned, EC counterparts noted that the European Union is Pakistan's largest trading partner. Also, the first ever EU-Pakistan summit will likely take place in late June under the Czech presidency in either Prague or Brussels. Deliverables need to be developed in advance of that summit and may include a trade component, though it would be premature to announce the details in Tokyo.

¶6. (SBU) EC representatives will be attending the Friends of Pakistan expert meeting held in Abu Dhabi on April 1-2 and believe that meeting can help inform the Tokyo discussion. However, the fact that the two events are separated by only two weeks makes it unlikely that the EC will make any decisions based on the Abu Dhabi meetings in time to have an impact in Tokyo.

¶7. (SBU) Following the discussion of the Pakistan donors conference, EC counterparts noted that they had been approached by Pakistan about contributing to provincial police training, especially in the Northwest Frontier Province (NWFP), and asked if the United States had received a similar request.

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¶8. (SBU) The EC also expressed interest in the idea put forward in a previous Friends of Pakistan meeting about a Frontier Trust Fund, possibly managed by the World Bank, and would like to know if the United States still supports it. According to the EC, they are very interested in the idea but their World Bank contacts in Pakistan had indicated little or no progress so far. They requested further details from the United States on whether or not the trust fund concept is likely to move forward.

¶9. (SBU) Finally, the meeting closed with a brief discussion of Afghanistan. Most notably, EC counterparts expressed interest in what they interpreted as signals that the USG may be willing to consider dialogue with some elements of the Taliban. While views among the donor community in Kabul vary, it was suggested that the position of the Taliban is now stronger than was the case even a couple of years ago. The fact that Taliban-led actions are taking place simultaneously in Kabul, southern Afghanistan and Pakistan point to some degree of strategic coordination among the main Taliban players. Also, while discussions with the Taliban might previously have focused exclusively on Afghanistan it is increasingly clear that issues related to Pakistan might need to figure in any talks as well.

MURRAY